

Approved For Release 2007/05/21 : CIA-RDP80T00246A001100280001-8

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PREPARED AND DISSEMINATED BY CENTRAL INTELLIGENCE AGENCY		25X1	
COUNTRY USSR	DATE DISTRIBUTED 22 March 1957		
SUBJECT CPSU Military Policy and Bulganin's Armed Forces Reduction Proposal of 8 Jun 56	NO. OF PAGES 1	NO. OF ENCLS.	
	SUPPLEMENT TO REPORT #		
	VE TO 25X1		
THIS IS UNEVALUATED INFORMATION		25X1	
a 13-page UNCLASSIFIED English-language report entitled "CPSU Military Policy and Bulganin's Proposal to the US to Reduce Its Armed Forces".		25X1	
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(1) The Lenin Doctrine "Conquest of World Supremacy". (2) The CPSU Doctrine on Massive Armies. (3) The USSR Military Effort and CPSU Financing of Armaments. (4) Domestic and External Factors Which Led to the Reduction in Strength of USSR Armed Forces.			
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Memorandum No. 43

25 June 1956

The CPSU military policy and Bulganin's proposal to the USA 25X1
to reduce its Armed Forces.

In his note to President Eisenhower which was made public by the White House on 8 June 1956, Bulganin proposed that the USA "follow Soviet initiative and reduce its Armed Forces".

The purpose of this memorandum is to examine in detail the ~~military~~ policy of the CPSU regarding the armament race and the reasons which led the CPSU to reduce the Armed Forces by 1,200,000 men.

A number of facts enumerated in this memorandum allow the following conclusions:

The statement by the CPSU to the effect that it has reduced Armed Forces personnel by 1,200,000 men was made due to a large number of domestic and foreign political-economic reasons, but certainly not in the interest of real disarmament;

By its exploitation of the economic structure of totalitarian rule, the CPSU supports a military effort which is greater than that of the USA;

The policy of the CPSU is based on precepts which may be expressed by the formula "overtake and surpass the USA in armament potential";

By reducing Armed Forces personnel by 1,200,000 men and allowing propaganda to that effect to be spread in the USA and other Western countries, the CPSU attempts to pressure the USA to cut down armaments, a measure which, at least in the view of the CPSU, would lead to the USA losing its political-economic balance and bring about a further deterioration in the position of the USA, England and France.

1. The Lenin doctrine on "Conquest of World Supremacy".

Lenin's doctrine on conquest of world supremacy continues to be promoted in the policies of the collective leadership of the CPSU.

Lenin stated:

"There is no question that the trend will be toward one single universal trust which will absorb all existing enterprises and all

states barring none" (V. I. Lenin).

The "Trust" Lenin mentioned here now holds in its grip about one billion people, who are exploited by this "Trust" in its drive towards absolute military superiority. Communist militarism strives today to subject to this "Trust" all countries of the Far East, Africa, Asia, Europe and later on all countries in the American hemisphere.

The principle of "organization of states into trusts" (trestirovaniye), on which the communist regime and all communist bloc measures are founded, is fraught with serious danger for the USA. Attainment of military superiority by the communist bloc may create a situation where armed conflict with the bloc is no longer feasible and the communist "Trust" will spread its regime over the rest of the world.

The collective leadership of the CPSU strongly emphasizes in its propaganda that Lenin's legacy will be carried out to the letter. Facts prove that the CPSU is guided by Lenin's concepts also with regard to ~~the~~ the country's military problems.

Lenin said:

"We definitely must prepare for revolutionary war... The question ~~whether~~ whether we should engage in revolutionary war right now without delay must be solved by taking ~~into~~ into account exceptional economic conditions for launching such a war and the interests of socialist revolution. In fact, revolutionary war at this time would be war of a "socialist republic" against "bourgeois countries" with the aim, clearly expressed and approved by the "Socialist Army", to overthrow the bourgeoisie in all countries". (V.I. Lenin, volume 15, page 62 and 64).

Statements of the present CPSU leaders differ from Lenin's concepts only in form but not in substance. Right now it is not profitable for the collective leadership of the CPSU to talk openly about preparation for war as Lenin did in his days. What CPSU leaders do talk about however is the inevitability of extension of communist rule all over the world. At a youth meeting in Moscow, which took place on 8 June 1956, Khrushchev said:

"Two great powers exist today, the USSR and the USA. But believe me when I tell you that in the near future only those states will be

strong which reorganize their economies in line with the socialist system. The Soviet Union has done that already and soon the whole world will follow her example, that is, shape itself into a communist society". (Khrushchev - Address at Moscow Youth meeting on 8 June 1956 - "Novoye Russkoye Slovo of 9 June 1956).

It is clear to everyone that the American people will never adopt the reactionary communist system in their country voluntarily and when Khrushchev says that "the whole world will soon be reorganized into communist society", he speaks from a position of strength. A few prominent American military leaders already sound the alarm after having found the USSR to be superior to the USA in some types of weapons.

General Le May said:

"Along with guided missiles and other weapons of mass destruction, the USSR will have enough weapons by 1959 to destroy US power in one surprise attack. (Novoye Russkoye Slovo of 28 May 1956)."

General Le May's views are shared also by General Partridge, who said: "Soviet aviation has made terrific strides recently; now it even surpasses aviation in the USA." (Novoye Russkoye Slovo of 28 May 1956).

2. The CPSU doctrine on massive armies.

In its military measures, the CPSU emphasizes the need for organization and training of massive armed forces contingents. The reduction of Army personnel by 1,200,000 men does not mean that this policy of the CPSU has been revised, because even after reduction in the size of the Armed Forces the Soviet Army remains to be the most powerful in the world as far as size is concerned. In his political concepts, Lenin believed that the "soldier kulak" would play the decisive role in modern society. He said:

"A force in modern society can only be an armed nation and in command of it an armed proletariat..." (Lenin, Volume 15, page 62).

This Lenin concept is strenuously applied by the CPSU. CPSU policies and teachings of Soviet military leaders are based on this dogma.

M.V. FRUNZE in "War and Armies" - "Whoever believes in small-size armies in future wars is a complete fool and numbskull in military affairs. That is

only child's prattle. Not a small army but an army enveloping in the end the entire working population able to fight, that is what we need."

(M.V. Frunze in "Zapiski Komakademii", volume 3, Moscow 1931.)

Statements made by General Tukhachevskiy coincide with Frunze's concepts:

"Favored by bourgeois regimes is the theory which advocates an army composed of "Armored Knights" and which rejects the need and logic for the creation of massive modern armies.... But what exactly does it mean to us, our Soviet Union, if we go ahead and advocate creation of a small army? It would be equivalent to a rejection of all those advantages of massiveness, mobility and army offensive capability which have been granted us by our successful socialist system". (M.N. Tukhachevskiy - Address at Komakademiya "On the nature of modern wars").

The present military leaders in the CPSU also stress the need for maintaining huge armies. On that subject, Marshal ZHUKOV, Defense Minister of the USSR, remarked in a speech at the 20th CPSU Party Congress:

"In building up the Soviet Armed Forces we must bear in mind that the methods and forms of future wars will in many ways be different from all wars fought in the past. The next war, once it is unleashed, will be characterized by massive employment of Air Forces, various types of rocket weapons and various means of mass destruction such as atomic, hydrogen, chemical and bacteriological weapons. However, we proceed from the assumption that even the most modern weapons, including those designed to cause total annihilation, do not reduce the decisive importance of land armies, Navy and Aviation. Without well-equipped foot-soldiers, without strategic, long-range and tactical aviation and a modern Navy, without well-organized coordination of these elements, modern war cannot be fought successfully....."

"..... Combat units have been re-equipped with new, more effective weapons and are completely motorized. First-class tanks and self-propelled artillery units have become an organizational part of their structure." (G. ZHUKOV - Address made at 20th session of CPSU, published

by "Krasnaya Zvezda", 21 February 1956).

Before the outbreak of WW II and after its end, the CPSU kept great masses of troops under arms and simultaneously carried out para-military training and instruction (re-training) of reserve units.

"Bol'shaya Sovyetskaya Entsiklopediya" defines the measures taken to reduce army personnel and para-military training before WW II as follows:

" In order to reduce army maintenance costs, up to 75% of all infantry divisions, part of the cavalry and some other units were transferred to the Territorial-Milice system. Meanwhile the main body of the regular army was kept intact, which, if necessary, made it possible to deploy a sufficient number of armed forces. In 1939, faced with the threat of war by Hitler Germany, the Territorial-Milice system was abolished and the Armed Forces were completely switched over to the cadre system. "

("Bolshaya Sovyetskaya Entsiklopediya", Edition 2, Volume 9, Page 86 "Armed Forces").

The CPSU conception regarding the need for a huge army in war-time calls for suitable measures even in peace-time as far as training and instruction in military science of massive personnel contingents is concerned. It is quite clear that with the reduction of regular army personnel by 1,200,000 men, the number of personnel undergoing military training and re-training outside the army (para-military by way of DOSAAF etc.) will be increased.

Marshal ZHUKOV outlines the projected measures for para-military training as follows:

" In connection with the reduction in the strength of the Armed Forces, a certain percentage of draftees will not enter service for some time to come. We must take steps to insure that young men exempted from the draft have a chance to acquire the necessary military skills to enable them to fulfill their duty towards the defense of their country even outside the Army." (G. ZHUKOV - Address at 20th Party Congress of the CPSU. "Krasnaya Zvezda" of 21 February 1956).

It is quite clear therefore that the CPSU will not revise its conception regarding "the advantage of a large mobile army" in an atomic age.

3. The USSR Military Effort and CPSU Financing of Armaments.

WW II experience has proven that Lenin's thesis on "revolutionary war" was put into practice by Stalin and with the help of Soviet Army guns the communist regime was imposed on China, Rumania, Bulgaria, Hungary, Poland, Czechoslovakia, Albania, Eastern Germany, the Baltic area.

The inevitability of "revolutionary war" was also discussed by L.D. Trotskiy, albeit from somewhat different points of view:

" Contradictions in the status of a workers government in a backward country, with the overwhelming majority of peasant population, can be solved only in the arena of world revolution."

The economic development of the Soviet Union proves that internal contradictions have not been eliminated and the problem of a "levelling of systems" by means of "revolutionary war" or "world revolution" still confronts the CPSU with the same acuity.

There can be no doubt that the problem of forceful "levelling of systems" and communization of Eastern, Western countries and the United States of America plays a part in the fiscal-economic policy of the CPSU within the country.

At the end of WW II, the CPSU increased taxation of the population by means of indirect taxes (turn-over tax and surplus profits of industry) in order to increase armament financing. With 1940 as a base year, the turn-over tax was increased in 1956 2,5 times, but transfer from profits to the budget was increased 5 times.

	1940	1950	1956
Turn-over tax - in billion Rubles	105,9	238,4	270,6
Transfer from profits to budget			
- in billion Rubles	31,7	39,8	107,3
Tax load per citizen - in Rubles	709	1497	1880

Npte: In the revenue part of the budget for 1956, reportedly totalling 591,9 billion Rubles, turn-over tax and transfer from profits amount to 377,9 billion Rubles, direct taxes from the population - 50,3 billion Rubles and bonds - 32,0 billion Rubles.

Over two-fold increase in taxation has led to diminished prosperity and increased dissatisfaction of the people. By reducing the Armed Forces strength by 1,200,000 men, the CPSU attempts to create the illusion at home that expenditures for military needs have been cut, in other words, it achieves a certain propaganda goal, but at the same time the CPSU continues to modernize the army, using the funds made available through saving of maintenance costs for the contingent of 1,200,000 men.

By increasing taxation, the CPSU pursued the task of intensifying militarization and stepping up the armament race, as a result of which direct expenditures for armaments, according to the official Defense Ministry budget, increased as follows (in billion Rubles):

1940 - 56,9, 1950 - 79,4, 1956 - 102,5.

Note: The minor (as stated by the CPSU) reduction in the military budget (in the period up to 1956) does not modify the total dynamic in the growth of expenditures in relation to 1940 and 1950.

In appraising the volume of budget appropriations in the Defense Ministry estimate (in 1956 - 102,5 billion Rubles), we must take actual (fixed) discount prices set up between Defense Ministry and suppliers as our guide. The Defense Ministry discount system (method) is based on CPSU decrees calling for low prices for industrial commodities and food products (required by the Defense Ministry).

Discount prices paid by the Defense Ministry for various types of commodities are on the following fixed scale:

One ton of	-	bread (grain)	-	85 Rubles
" "	"	-	sheet steel	- 95 "
" "	"	-	benzene	- 180 "
" "	"	-	cement	- 65 "
One pair of		army boots	-	12 "

Therefore, the buying capacity (commodity) of the Ruble in

Defense Ministry accounting with suppliers is supported by the CPSU at almost twice as high a parity to the Dollar (2 Rubles for 1 Dollar) as the official ^{tariffing} ~~quotations~~ for the Dollar in the USSR (4 Rubles for 1 Dollar).

The high parity of the discount Ruble of the Defense Ministry determines the high level of physical efforts the USSR expends towards militarization.

The extent of military efforts expended by the USSR is determined not only by the size of budget allocations in the Defense Ministry estimate, but also by hidden budget appropriations for militarization in the estimate for financing the national economy and social-cultural projects.

Budget appropriations for financing the national economy and social-cultural projects were increased four-fold by the CPSU in the post-war period:

	1940	1950	1956
Financing of the national economy, in billion Rubles	58,4	184,0	237,2
Financing of social-cultural projects, in billion Rubles	40,9	130,7	161,2

It would be an impossible task to separate expenditures for purely military purposes from the total amounts allotted in 1956 for financing the national economy (237,2 billion Rubles) and social-cultural projects.

From personal experience, the writers of this memorandum know that the CPSU manipulates military allocations when making up the budget and does not enter them in the Defense Ministry estimate but instead in the estimate (paragraph) for financing the national economy and in the estimate (paragraph) for social-cultural projects.

For instance: a) In the budget allocation for the national economy are included allocations for capital investment for construction of military plants for the Soviet Navy and Airforce. b) Expenditures for maintenance of military schools and military scientific research ~~institutions~~ ~~and expenditures~~ are included in budget allocations for the national economy.

It should be kept in mind that even in peace-time measures have been and are being taken by the CPSU to maintain the war potential of industry, transport and the entire economy of the country. The national economy is saddled with a "mobilization plan" and tens of billions of Rubles (in project finance-plans of industry, transport, public health, education and other departments) are expended annually to carry out measures provided by the mobilization plan. These expenditures are not included in the Defense Ministry estimate.

Consequently, the scope of military efforts of the USSR is determined by: a) the absolute rate of budget allocations in the Defense Ministry estimate; b) tariffing of military Ruble (setting of discount prices); c) the extent of hidden allocations for military purposes in the estimate for financing the national economy and social-cultural measures; d) allocations for the finance plan of the branches of the economy.

^{data}
Note: Only basic, over-all ~~aspects~~ on the armament financing system in the USSR are given in this memorandum. A detailed account regarding the scope of the USSR military effort will be the subject of a subsequent report.

The above data regarding the size of the military budget of the USSR, the parity of the Defense Ministry discount Ruble and the effective system of hidden financing of armaments, confirms the statement that the USSR military effort exceeds that of the USA. It appears to the writers of this memorandum that a statement ~~made~~ made by Mr. William Bullit, US government official, in 1950, still applies today. He said:

"Time is against us (USA) and will continue to be against us until we realize that Stalin (communism) will never stop by himself; he must be stopped. Like our forefathers in the days of Valley Forge, we should live modestly today"(W. Bullit - article in "Readers Digest", July 1950).

Very significant and also quite alarming is a statement made by General ~~Rockbridge~~ Partridge in the Symington committee of the Senate. He said:

"The inadequacy of our defense is the result of mistakes made 10 years ago when we temporarily suspended modern weapon research and

cut the military budget. We have to make up now for lost time and opportunity..."(NRS dated 7 June 1956).

4. Domestic and external factors which led to the reduction in strength of USSR Armed Forces.

A number of domestic and external political-economic factors compelled the CPSU to reduce Armed Forces strength. Some of the most important factors are:

1) Under the terrific strain of militarizing the country, like diversion of great masses of people to armament production, building of military objects and military duty in the regular army, the USSR suffers from a chronic shortage of man-power to satisfy requirements imposed by the national economy. Particularly, there is a ^{shortage} ~~shortage~~ of male labor.

By releasing male labor from the army, the CPSU proposes to use it towards fulfillment of the highly strained 6th Five-Year plan and further militarization of the country, but furthermore it also aims to bridge the gap in the ^{employable} male and female labor force (in industry women are in the majority by 65%, in farming, female labor prevails throughout).

2) The CPSU considers as its foremost task the elimination of the farm crisis by accelerating farm production and acquiring new land. By reduction of regular army personnel, the CPSU attempts to alleviate the serious shortage in the male farm labor force, even if only to some extent.

3) Several indications give reason to assume that revisionist ideas are spreading among various elements of the population in the USSR. The downgrading of Stalin and the formal rejection of his policies was a measure considered necessary by the collective leadership of the CPSU in order to consolidate its power. A series of political and economic concessions made to the people by the CPSU serve the same purpose. Some of them are:

The promise to the workers to establish a 7-hour working day;

Legalization of the right of workers to freely choose their place of work;
order

The ~~promise~~ to uphold the law and revise the rights of procuratorates;

Appointment of a committee to supervise the activities of KGB organs;
order

The ~~promise~~ to review cases of persons convicted and reform ~~sentences~~
prison camps;

order
The ~~promise~~ to increase pensions,

Slight pay increases for low income categories of workers to ~~help~~ somewhat reduce the gap between low and high income groups.

The uninterrupted militarization of the country and the continuous rise in the tax burden had led to a drop in the living standard of the population and increased public grumbling against CPSU policies. ~~Through~~ Through the "safety-valve" system - a system providing for partial concessions to the population, the CPSU aims to consolidate its power and mollify the people's dissatisfaction with ~~the~~ the regime.

Personnel reduction in the regular army, along with the "safety-valve" policies mentioned above, also serve to reduce popular discontent.

4) In as far as better production organization, greater labor productivity and preservation of a high standard of living ~~extremely~~ for the people are concerned, the communist system loses out in competition with the USA. Data on the economic development of the USSR show that the CPSU has put the principle of military competition as a foundation for its concept of "competition of two systems", and the theory of "peaceful co-existence" is no more than a cover-up for the armament race. CPSU efforts are directed towards achievement of absolute USSR armed forces superiority and along with it a situation where the CPSU can impose its military dictum (ultimatum) on the USA and other non-communist countries.

The reduction of armed forces personnel is one of the factors expected to lead toward increase of the economic potential, further streamlining of the army and finally absolute USSR ~~superiority~~ military superiority over the USA and Western countries.

5) Militarization of the USSR has led to one-sided development of industry, priority of war industry and shortage of strategic raw materials and other items (light metals, chemical raw products, steel, cable, electric

wire, rubber and other commodities).

By its greater expansion in Eastern countries, the CPSU aims to find a market for its obsolescent types of weapons, obsolescent items of machinery and receive instead raw materials in short supply.

The expansion of the CPSU in Eastern countries is based on "communist colonialism", i.e. conventional colonialism, camouflaged by the dogma "protection of national interests of Eastern nations and ~~liberation~~ their liberation from oppression from Anglo-Saxon and French colonial systems". Extending its colonial policy over the East, the CPSU tries to improve the food and raw material balance of the USSR by dumping "non-liquid" assets (obsolescent armament and equipment) in Eastern countries.

By stepping up expansion in the East, the CPSU intends to deprive USA, England and France of trade outlets in the East and pull the Eastern nations into the sphere of the communist bloc.

In its effort to subject the Eastern countries and Asia to its domination, the collective leadership of the CPSU takes its cue from Lenin's formula:

"The outcome of the struggle as a whole can be visualized only on such a basis that a gigantic majority of the world's peoples train and prepares itself for the final battle against capitalism itself. The ~~final~~ outcome of the struggle depends in the final analysis on the fact that Russia, India, China and countries of that nature represent the gigantic majority of the people." (Lenin, Collected Works, Volume 37, page 416).

6. Striving for expansion of trade with the USA, England and France for and lifting the embargo on strategic items and raw materials, the CPSU follows the immediate aim:

- a. To accelerate the speed of industrialization and further militarization of the USSR,
- b. To speed up the process of militarization and industrialization of China,
- c. To speed up the process of subjecting the countries of the East,

Asia and Africa to the will of the CPSU.

- end -